

BUDGET SHADOWS

Solving America's Entitlement Dilemma

CONTENTS

- I. Rules for Distribution
- II. About Budget Shadows
- III. Installation
- IV. Running Budget Shadows
- V. Common Questions & Problems
- VI. Credits

I. Distribution

You are free to distribute this package to others. However, if you modify this software in any manner you must indicate that the software is NOT from the Bipartisan Commission on Entitlement and Tax Reform. Modification of this software without acknowledgement is a misrepresentation of the Bipartisan Commission on Entitlement and Tax Reform. All pieces of artwork in this product are copyrighted by the Corel Corporation for inclusion in this product ONLY. This artwork may not be modified or used as clipart in any other product. Distribution of this product may not be used as an endorsement by the Bipartisan Commission on Entitlement and Tax Reform for any individual, corporation, association, institution and/or any other organization.

II. About Budget Shadows

Budget Shadows is a computer-based tool to help citizens and policymakers understand the magnitude of America's entitlement dilemma. Designed for computer novices, Budget Shadows allows the user to assemble his or her own package of entitlement reforms and to see the effects of those decisions on the nation's fiscal future. (For additional background on Budget Shadows, see appendix.)

III. Installation

To install Budget Shadows you must have a personal computer with "Microsoft Windows" version 3.1 or later and "Lotus 1-2-3 for Windows" version 4.0 or later. To run Budget Shadows you must have at least 4 megabytes of free disk space. It is recommended that you have at least 8 megabytes of total memory on your computer, but 4 megabytes will suffice. Budget Shadows will not run on Macintosh computers.

To Install Budget Shadows:

1. Make sure your computer has access to Lotus 1-2-3 for Windows. If someone in your office has Lotus 1-2-3, but you are not sure it is on your computer, check with your office computer manager.
2. Make sure you are in Windows.

3. Insert Disk 1 into the diskette drive.
4. From the Windows desktop, choose "Run" from the "FILE" menu at the top of your screen.
5. Type "a:\Install" in the blank box.
6. Choose OK to start.
7. The install program will prompt you for information about where you want Budget Shadows installed. Drive C (your hard disk) is the default drive and if you press "Enter" the program will be installed on your C drive. If you want to install Budget Shadows on another drive, press the down arrow key until the desired drive is highlighted, then press "Enter".
8. Press "Enter" again to confirm the choice of drives.
9. Insert Disk 2 when prompted and follow the instructions on the screen.

If you are having problems installing Budget Shadows, first read the "Common Questions & Answers" section below. If you continue to have problems, you may contact the Commission staff at 202/224-2300.

IV. Running Budget Shadows

This simulator is designed for people with minimal computer experience. At the beginning of the program (after it is installed) you will work through an introduction that will explain the goals of the program and how to play it.

V. Common Questions & Answers

If the instructions below do not help you and if your office computer manager cannot help you, you may call the Commission staff at 202/224-2300.

- 1) The game may seem to stall at times.
Please remember that the game depends on many complex calculations and will be quite slow at times.
- 2) The Installation does not work.
Remember that this game requires Lotus 1-2-3, version 4.0 or later and a fairly large amount of memory. If you are having problems installing the game, you probably need to adjust the amount of memory that Lotus has to run. To do this, consult your Windows user manuals or your office computer manager.
- 3) A "Lotus Error - Out of memory" sign appears when you attempt to open the program.
Again, this is a memory problem associated with your computer and Lotus. You probably do not have a windows "swap file", or your existing "swap file" is too small. For more information please refer to your Windows user manual or your office computer manager.

4) The text does not fit in the text boxes or on your computer monitor.

a) "Adobe Type Manager" (ATM) is required for the screens to appear correctly. This product is normally installed as part of the Lotus 1-2-3 for Windows package. You can tell if ATM is installed on your computer because a small red "A" appears in the lower left corner of your screen when you start Windows. If you do not have Adobe Type Manager, either contact your computer manager or refer to your Lotus installation manual.

b) If your monitor is not at standard VGA Resolution ("640x480") the screens may look out of alignment and/or text may not fit in the text boxes. To correct this, use the following keys to adapt Budget Shadows to your monitor's resolution.

Holding down the "CTRL" and the "L" keys at the same time will make the image LARGER.
Holding down the "CTRL" and the "S" keys at the same time will make the image SMALLER.
You should experiment with these keys until you are satisfied.

5) Your report does not print correctly.

Typically, if you are having trouble printing the report, your printer memory is probably overloaded. To solve this, try lowering the resolution in your "Windows Printer Setup". For more information refer to your Windows manual or consult your office computer manager.

VI. Credits

Budget Shadows was produced by the staff of the Bipartisan Commission on Entitlement and Tax Reform. For more information or for additional copies of Budget Shadows you may contact Commission staff at:

The Bipartisan Commission on Entitlement and Tax Reform
120 Constitution Ave., NE
Room SH-825
Washington, DC 20510

Phone: 202-224-2300

Please Note that the Bipartisan Commission will no longer be in existence after the report to the President in December, 1994. For information on the Commission after December you may access our "World Wide Web Homepage" on the Internet. From the Internet go to <http://www.charm.net/~dcarolco/>. You may also down-load a copy of Budget Shadows from this Internet address. For technical questions on Budget Shadows after December you may contact Dave Moraff via Fax at (301) 552-3149. Internet users may contact him via 75662.2470@Compuserve.Com.

MS Windows is a copyright of Microsoft Corporation.

Lotus 123 is a copyright of Lotus Corporation.

Instalit is a copyright of Helpful Programs, Inc.

Corel Draw is copyright of the Corel Corporation.

Compuserve is a copyright of Compuserve Corporation.

Adobe Type Manager is a copyright of Adobe Systems Incorporated.

Appendix

Additional Background About Budget Shadows and its Calculations

Disclaimer. Budget Shadows was prepared by the staff of the Bipartisan Commission on Entitlement and Tax Reform (the Commission). It does not represent the views of the Commission or any Commission member. Moreover, it is only an exercise; it should not be relied on for tax or other financial advice.

Purpose. Budget Shadows permits you to review a variety of entitlement reform options and choose among the options based on your own approach to reform. Budget Shadows then shows the impact of the choices on long-term Federal outlays and revenues and on the financial condition of Federal health care and retirement programs. Note that, Budget Shadows does not address other implications of the reform options, particularly the impact on affected persons. Those consequences should be considered before any option is adopted.

Limitations. Long-term projections by their nature are not precise dollar forecasts of the future. But, they are useful tools to understand long-term trends and the magnitude of changes needed to alter them.

Entitlements reviewed. Budget Shadows focuses primarily on the largest and fastest growing entitlements, Federal health care and retirement programs. Budget Shadows does, however, include comprehensive options that affect other entitlements, such as a limit on other entitlement spending. The comprehensive options indicate the degree to which reforms of other entitlement programs can affect long-term Federal spending.

Reforms within the Commission's mandate. Budget Shadows only considers options within the mandate of the Commission, those affecting entitlements and tax expenditures (special tax provisions that some Commission members argue are similar to entitlement spending). Although generic tax increases are not included, options to change "dedicated revenues" (such as payroll taxes) and tax expenditures allow you to consider the role of revenue increases in addressing the imbalance in long-term Federal spending and revenues. In addition, Budget Shadows does not include reform of discretionary spending because it falls outside the Commission's mandate. But, as an example for purposes of context, restricting defense or domestic discretionary spending to the rate of growth of the Consumer Price Index would move you about 10 to 15 percent of the way to meeting the Budget Shadows' target, depending on how the spending limit is structured.

Basis for projections of current law. The projections of Federal government outlays and receipts under current law are identical to those included in the Bipartisan Commission on Entitlement and Tax Reform Interim Report to the President, August 1994 (the Interim Report). In projecting outlays for Social Security and Medicare, the Interim Report used estimates of the Social Security and Medicare Trustees (included in the 1994 Social Security and Medicare Trust Fund reports). Medicaid was projected using the Social Security Trustees' population projections and the Medicare Trustees' projections of health care cost growth. Other spending programs (except interest payments on the national debt) were assumed to consume a constant share of the economy beginning in the year 2000. For greater detail, consult the Sources and Assumptions section of the Interim Report.

Basis for projecting the effect of the options. Projected effects of reform options on outlays and revenues are based on projections from the Social Security actuaries and consultation with the Health Care Financing Administration actuaries, the Congressional Budget Office, and other government experts. As in the Interim Report, the projections rely on the economic and demographic assumptions of the Social Security and Medicare Trustees (used in forecasting the economic condition of the Social Security and Medicare Trust Funds). For greater detail, consult the Sources and Assumptions section of the Commission Staff Report on Entitlement Reform Options -- Reference Materials.

Interaction of options with the economy and each other. The options are not assumed to alter general economic or demographic conditions. For example, the assumed rate of economic growth is not affected by choices the user makes; although success or failure in addressing the long-term imbalance of outlays and revenues would almost certainly alter productivity and growth. In addition, only some of the millions of possible interactions among options have been taken into account. Budget shadows does consider moderate interactions among options affecting Social Security outlays and among options affecting health care outlays. The calculations of these interactions are rough approximations, but they provide useful indicators of the interactions. Moreover, Budget Shadows does not permit you to choose combinations of options that have large interactions with each other. For greater detail, consult the Sources and Assumptions section of the Commission Staff Report on Entitlement Reform Options -- Reference Materials.